

Dys

12



PRIME MINISTER

**STATEMENT TO PARLIAMENT BY THE PRIME MINISTER,
THE HON P J KEATING, MP**

**VISIT TO THE UNITED STATES, THE UNITED KINGDOM, IRELAND,
FRANCE AND MONACO**

Mr Speaker

I wish to inform the House of the outcome of my visit to the United States, the United Kingdom, Ireland, France and Monaco between 11 and 24 September.

During the visit, I dealt with a number of issues which will have a profound bearing on Australia's trading interests and future prosperity, on our national identity, and on how we and others see our place in the world.

These are all big questions, and it is important that we get them right.

At a time of great fluidity in international affairs, we now face fundamental questions about the structure of the world trading system.

The opportunity to secure a successful conclusion of the Uruguay Round is now close at hand, but the outcome is far from assured.

The APEC forum, which Australia has done so much to bring forward, is now poised to develop into a valuable framework for promoting trade and investment in the Asia-Pacific region.

The United States Congress will soon decide whether or not to approve the North American Free Trade Agreement with far-reaching repercussions either way on the US trade policy stance.

At this pivotal moment in the international trading environment, it is important that Australians are fully aware of the impact that decisions about future trade structures will have on our interests.

Mr Speaker

At stake is nothing less than the future prosperity of our country.

At stake is our capacity to provide employment for the next generation of Australians.

More than ever before, Australia is on its own internationally, fending for itself in a competitive and challenging international environment.

But we are seen internationally as a modern society with many assets to help us make our way successfully in the world.

Our recent achievements in fostering a tolerant and diverse multicultural society and in executing a series of major reforms of the Australian economy highlight our capacity to change, and to play an increasing role in regional and international affairs.

These subjects were the main thrust of my discussions in each of the capitals I visited.

Mr Speaker

I visited Washington at a time Australia's most pressing interests coincide with much that is prominent on the American agenda.

The future of the Uruguay Round, the development of APEC and the creation of NAFTA are all matters to which President Clinton, his Administration and the Congress are giving high priority.

It was a very useful time to be able to put Australia's view, and to represent our interests on these issues.

Given the enormous stakes involved, it was important to be able to discuss with the US Administration and Congress what sort of policy and institutional framework will best maintain and strengthen the highly valuable economic linkages which now operate between East Asia, Oceania and North America.

So strong have these linkages between North America and the Western Pacific become over the last decade that today there is a higher degree of trade integration among the 15 members of APEC than there is among the members of the European Community, or among the three North American economies, or among the East Asian economies considered separately.

And while the United States market remains vitally important for most East Asian economies, I found a growing awareness in the Administration and in Congress that East Asia has also become an increasingly important market for US exports.

Indeed, less than a decade ago more than one third of Western Pacific exports went to the United States.

Today the proportion is less than one quarter.

3

Over the same period the proportion of US exports which go to the Western Pacific has risen to well over one quarter, on a par with those to the NAFTA partners and well ahead of exports to the EC.

Since the mid eighties the trend rate of growth of US exports to the Western Pacific has been three times the rate of growth of Western Pacific exports to the United States.

This rapid trade growth in the region and the prosperity it produces would be gravely threatened, in my view, if in coming decades North America and the Western Pacific went separate ways in trade and strategic alignments.

I am glad to be able to report that the Clinton Administration is as convinced of the importance of the East Asia region as we ourselves have become.

I had very productive discussions in Washington with President Clinton, with Secretary of State Christopher, Defense Secretary Aspin, US Trade Representative Kantor, Treasury Secretary Bentsen, Director of Central Intelligence Woolsey and with senior Congressional leaders including Senate Majority Leader Mitchell, Senate Minority Leader Dole and House Speaker Foley.

My meeting with President Clinton was exceptionally useful.

I was impressed by the vigour, imagination and resolve with which he is going about the task of rebuilding American competitiveness and American society.

We affirmed in our meeting the continuing vitality and relevance of Australia's bilateral relationship with the United States.

Despite the great changes in the world brought about by the end of the Cold War, fundamental Australian interests continue to be engaged in our relationship with the United States - in our defence alliance, in the mutually beneficial processes of policy consultation we enjoy on a wide range of issues, and in our strong commercial ties.

Despite our bilateral access problems, which I discussed with Ambassador Kantor and congressional leaders, the US market remains Australia's second biggest.

And the United States is the largest source of foreign investment in Australia and the most important destination for Australian investment abroad.

Mr Speaker

My meeting with the President produced three important results.

First, we agreed to work closely together for a successful outcome of the informal APEC leaders' meeting in Seattle in November.

This historic meeting, involving leaders of the key Asia-Pacific economies - the fastest growing area of the world - will help define an Asia-Pacific economic community and give political authority and weight to APEC.

The President noted Australia's vital contribution to the development of APEC.

I was impressed by the President's commitment to the Asia-Pacific economic community, and by the unanimity with which he, his Cabinet and the Congressional leadership in both Houses and both parties expressed their conviction that the United States should assign a higher priority to its trading relations with the Western Pacific.

Secondly, we agreed that it was very important to world growth and jobs to achieve a successful and balanced outcome to the Uruguay Round by the 15 December deadline for Congress's "fast track" approval, and that any move by the European Community to re-open the Blair House accord on agriculture would seriously jeopardise the whole Round.

The United States has pressed hard in favour of freer trade during seven long years of the GATT negotiations.

It has been a policy stance of great value to Australia.

But I was convinced by my discussions in Washington that 15 December is a real deadline for Congress, and that, if we cannot achieve an acceptable package by then, Congress as well as the Administration will turn their attention away from global solutions to trade problems and towards more regional approaches.

Thirdly, the President and Ambassador Kantor recognised Australia's concern about the damage that EEP subsidies cause our grain exports, and said they would make every effort to minimise the effect on Australia's interests.

They noted the Administration's decision to stay out of the Indonesian market as a *bona fide* of their sincerity in this regard.

They explained that the EEP was aimed at counteracting European subsidies, and that the only fully effective way to reduce the impact on Australia's grain exports was to conclude the Uruguay Round as soon as possible.

Mr Speaker

In New York, I addressed a meeting of the Asia Society and had a meeting with the Secretary-General of the United Nations, Mr Boutros Boutros-Ghali.

I told the Secretary-General that Australia welcomed the new possibilities for the work of the United Nations which have arisen with the disappearance of Cold War constraints.

I said that, as a foundation member of the United Nations, Australia is fully committed to the ideals of the Charter and wants to see those ideals prosper.

I noted that Australia was committed to peacekeeping, with around 600 Australians serving in Cambodia, Somalia and in other operations around the globe.

We were also a substantial financial contributor to the United Nations, paying in full and on time.

I told the Secretary-General that Australia would continue to contribute resources and ideas to the Organisation.

The most recent example of this contribution is Senator Evans's document "Cooperating for Peace", examining peacekeeping and conflict resolution, which is being launched in New York this week.

I also made it clear to the Secretary-General, however, that the United Nations Organisation itself had to make sure it was operating as efficiently and effectively as it could - especially in its administration and in its peacekeeping operations - if it was to maintain the international support needed to fulfil its great potential.

Mr Speaker

My visit to the United Kingdom, the first by an Australian Prime Minister since 1987, provided an opportunity to help reinforce and reshape this old and still very valuable relationship.

I had a long and productive meeting in London with Prime Minister Major.

World trade issues were again the main theme of my discussions.

I told Prime Minister Major how much Australia appreciated the very constructive and positive role Britain has played within the EC, and more widely, in pushing the cause of freer world markets and the multinational trading system.

We both underlined the importance of a successful and balanced outcome to the Uruguay Round for jobs and growth.

We agreed that 15 December is a real deadline for the Round.

We also discussed the strong and growing economic ties between Britain and Australia.

Britain is Australia's fourth largest trading partner, and our eighth largest export market.

It is the second largest source of foreign investment in Australia.

In turn, we are the fourth largest foreign investor in the UK, ranking above Japan.

Prime Minister Major and I agreed that there was much to build on and to develop in this area.

We noted that an important Australia-UK trade and investment conference, to be held in Melbourne in January next year, will help to maintain the impetus for growth in our commercial relationship.

Mr Speaker

I also spoke to Prime Minister Major about Australia's constitutional arrangements.

I said publicly in London that it is not because our affections for Britain are reduced or the friendship between us frailer, or our respect and admiration for the institutions Britain has bequeathed us in any way diminished, that Australia is considering the option of becoming a republic.

And I also said that our friendship for Britain would be all the stronger for our becoming a republic, as any friendship is stronger for being more mature.

Mr Major - Prime Minister of a Conservative British Government - and Mr Hurd, his Foreign Secretary who was on a parallel visit to Australia, both made publicly and privately clear that the matter of Australia's constitutional arrangements is one for the Government, people and Parliament of Australia and the Queen of Australia.

They both assert, quite correctly, that the modern, mature relationship between Britain and Australia will remain quite unaffected by our moves to become a republic.

Mr Speaker

I was received by Her Majesty the Queen at Balmoral Castle on 18 September.

In accordance with longstanding convention, the discussion between us must remain confidential.

But I am able to say I explained to Her Majesty that, notwithstanding the deep respect and warm affection felt towards her by the Australian people, there was a growing feeling in Australia that constitutional changes should be made to allow the appointment of an Australian Head of State.

I outlined to Her Majesty the various steps that would be involved in such a process, including the need for a referendum to approve constitutional amendments.

I said the Australian Government's view was that, if approved by the Australian people at a referendum, it would be appropriate for Australia to become a republic by the centenary of Federation in 2001.

I told Her Majesty that, in such a situation, Australia would remain a member of the Commonwealth of Nations, and that the Australian people would warmly welcome

visits to Australia by Her Majesty as Head of the Commonwealth and as the Queen of the United Kingdom.

Her Majesty authorised me to say that she would, of course, act on the advice of her Australian Ministers, as she always has, and on any decision made by the Australian people.

Mr Speaker

The issues involved in the creation of a Federal Republic of Australia are complex.

They require thoughtful and informed debate.

But as a result of my discussions in Britain it is clear that, whatever the outcome of the debate in Australia, whatever the form of constitutional arrangements on which the Australian people finally decide, both Her Majesty and the British Government regard these arrangements, properly, as entirely matters to be decided by the Australian people themselves.

And it is also clear that the results of any constitutional changes are not seen as a threat - and will not threaten - the warmth of the relationship between Australia and Britain, or the personal respect and affection in which Her Majesty is held.

It is my Government's firm intention, Mr Speaker, to ensure that, throughout the period that Australians are debating new constitutional arrangements, our existing links with the monarchy are maintained and exercised with dignity and respect.

In that regard, I am pleased to announce that I discussed with Her Majesty an invitation I have extended to the Prince of Wales to visit Australia early in 1994 following proposals by several State Governments.

The invitation has been accepted.

His Royal Highness will arrive in Sydney on 25 January, and visit, in addition to New South Wales, Tasmania, Western Australia and Queensland.

Mr Speaker

My visit to Ireland enabled me to mark the very important contribution which Ireland has made to the cultural, social and political development of this country.

The people-to-people links between us are still strong and vigorous.

In Dublin I had the honour of addressing the Dail, and I had extensive discussions with the Taoiseach, Mr Reynolds, and leaders of the other Irish political parties.

My discussions focused again on the outcome for the Uruguay Round, on which Ireland has been one of the European countries most resistant to change in the area of agriculture.

I put the view forcefully to Irish political leaders, and to business people at a dinner hosted by the Irish-Australian Business Association, that Ireland, with its growing industrial exports, will be best served by ensuring that we get an acceptable outcome to the Uruguay Round.

That in turn depended, I said, on the integrity of the Blair House accord on agriculture being fully maintained.

I also made the point that, although our trade is growing, the warmth of people-to-people relations between Australia and Ireland is not matched by our commercial links.

I said I hoped that companies in each country would increasingly use the other as a base to develop links into Asia and Europe respectively.

The warmth displayed by the Irish people towards me as head of the Government of Australia was quite profound.

In all parts of the country I visited, there was a spontaneous expression of warm welcome and good wishes towards Australia and the Australian people.

It is quite a phenomenon that the cultural and emotional links between Australia and this small country in Europe exist as strongly as they do.

It is something Australians should value and continue to nurture.

Mr Speaker

On my way from Ireland to Monaco for the Sydney Olympic bid, I stopped for several hours in France and visited Villers-Bretonneux, the site of the memorial to the 46,000 Australians - 18,000 without a known grave - who died on the Western Front during the First World War.

Like all who have visited the military graveyards of France, I was reminded of the courage and devotion of those young Australians who fought and died in that terrible war and the huge loss this nation suffered on the French battlefields.

I was also reminded that the tragedy of which they were victims arose, in large part, from the selfish and narrow nationalism which has so often scarred this century.

We have the opportunity, as the century ends, to do things better, to create broader, more inclusive economic structures which will generate new growth and new jobs around the globe by maximising trading opportunities for all countries.

If the international community fails in its efforts to resolve the Uruguay Round by mid-December, there are other options available but, as all those I spoke to on my visit agreed, they are not such good options.

Mr Speaker

The International Olympic Committee's decision to award the Olympic Games for the year 2000 to Sydney was a wonderful outcome for this country.

The Olympics are bound to be a marvellous moment in the life of the city and the nation: a celebration of international youth and sport in a young country with extraordinary sporting traditions.

All of Australia's attractions will be on show to billions of people around the world as we approach the centenary of the Commonwealth's creation.

The Olympics can also be a defining moment in our history - in the one hundredth year of our nationhood, a brilliant opportunity to celebrate our achievements and define our place in the region and the world.

The Olympics will generate economic growth and jobs well beyond Sydney itself.

The IOC's decision was a tribute to all those who worked so hard to put together an outstanding bid.

My wife and I were delighted to participate in the bid's presentation to the IOC, and were gratified that the Government was able to indicate its material support for the bid.

It is a tribute to the breadth of support for the Games among the Australian community - demonstrated so memorably by the tens of thousands of people who showed their enthusiasm in Sydney on Friday morning.

In a wider sense, Mr Speaker, the IOC's decision is also a tribute to the society we have created here - its social equity, cultural diversity, tolerance and its sophistication and efficiency.

Sydney's approach was set apart from others by its technical excellence and by its commitment to the athletes themselves and to the ideals of the Olympic movement.

All the people involved in the bid deserve the warmest congratulations and thanks of this House.

More than that, Mr Speaker, they deserve the continuing support of all Australians - government, business and the community - in the seven years of hard work that still lie ahead of us.

I can say on behalf of the Commonwealth Government that they will have that support.

Mr Speaker

I began by saying that my visit to the United States and Europe took place at a time of great consequence for the world economy - a time when new patterns are being created, and when great decisions are being formed.

Within the next twelve weeks alone we will have the first meeting of the leaders of the Asia-Pacific economy community, we shall enjoy success or suffer failure in the Uruguay Round, and we will have, by the year's end, a surer sense of whether recovery can take hold in Europe and Japan, and strengthen in the United States.

It is a decisive time in world economic affairs, Mr Speaker, and it comes as Australia is achieving greater international recognition.

Sydney's Olympic win reflects this most dramatically, but it is also reflected in Mr Clinton's generous praise of Australia's role in forging APEC, and in the respect accorded to Australia's views in the Uruguay Round as the leader of the Cairns Group of fair agriculture traders.

Mr Speaker

There is a responsibility on all of us to recognise that we are in a bigger game - a game with bigger prizes but with new and tougher rules.

The world is offering us great opportunities, but to take advantage of them we must continue to be flexible and competitive at home.

We must continue to seek national cohesion and strength.

We cannot seize the opportunities the world offers us if we cannot agree on the fundamental instrument of national economic policy, the Budget.

We cannot seize those opportunities if we cannot reach a satisfactory and enduring agreement on the implementation of the High Court's decision to recognise a form of Aboriginal title.

We cannot seize those opportunities if our workplace relations are not free to evolve towards outcomes based on bargaining.

To seize those opportunities we need to renew our commitment to change, and our commitment to the reforms necessary to meet the imperatives of the new global order.

It will help us in this regard if we recognise the success of the changes we have already made - how well we are doing in the world; how much more competitive we have made ourselves; how much the chances which now present themselves are only chances because of the changes we have made; how we have made them while also making Australia a tolerant, sophisticated and progressive society with few equals in the world - and how much better we can make it if we put aside sectional interest and parochialism and work together as a nation.

CANBERRA

28 September 1993